

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
W.R. Grace & Co., <u>et al.</u>,)	Case No. 01-01139 (JKF)
)	(Jointly Administered)
)	
Debtors.)	
)	Re: 32259

**ZAI CLASS COUNSEL’S RESPONSE TO
REPORT OF JUDGE FITZGERALD**

ZAI Class Counsel hereby submits its response to the *Rule 706 Expert Report of Judith K. Fitzgerald* (D.I. 32259), as set forth below.

1. Based on documents Lukins & Annis (“L&A”) first submitted in connection with its *Reply Re: Motion for Allocation of the ZAI Common Fund Fee Award* (“Reply”, D.I. 32182), specifically the Minutes of the Meeting of the Board of Directors of Lukins & Annis PS, dated February 15, 2005, attached as Exhibit A to the Declaration of Terence R. Whitten included with that Reply, Judge Fitzgerald reached two factually erroneous conclusions at page 19 of her report.

2. Judge Fitzgerald concluded that “. . . Scott made affirmative representations that L&A would receive a fee and an agreement in principle would be reached as to pending contingency cases, including the W.R. Grace bankruptcy litigation,” and that Scott “promis[ed] to reach a fee arrangement with L&A at a later date.”

3. The subject Minutes do not support the conclusion that Scott made affirmative representations that L&A would receive a fee, that an agreement in principle would be reached, or that The Scott Law Group “promis[ed]” to reach a fee arrangement with L&A. Attached hereto as exhibit “A” to the Supplemental Declaration of Darrell W.

Scott is a letter from The Scott Law Group to L&A setting forth The Scott Law Group's position and proposal to L&A in respect of L&A's potential claim to attorney fees in ZAI matters.

Dated: July 7, 2014
Wilmington, Delaware

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